



REPLY TO
ATTENTION OF:

DEPARTMENT OF THE ARMY
HEADQUARTERS, 19TH THEATER SUPPORT COMMAND
UNIT #15015
APO AP 96218-5015

EANC-GC-PB

27 NOV 2002

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Command Policy Letter #34 - Guidance for Preparing Unfinanced Requirements (UFRs)

1. REFERENCES.

- a. DFAS IN 37-1, Finance and Accounting Policy Implementation, January 2000
- b. President Budget Guidance (PBG), Current Budget Year
- c. FYXX Eighth U.S. Army Budget Formulation Guidance

2. PURPOSE. This memorandum designates responsibility and describes policy and procedures in preparing and submitting UFRs.

3. APPLICABILITY. This memorandum applies to all commands assigned to the 19th Theater Support Command (TSC).

4. GENERAL POLICY. The UFR process begins with the Command Budget Estimate (CBE) that makes up annual budgets. Financed requirements are those, which are both necessary and funded within the authorized target amounts. These requirements always include directed requirements provided in budget guidance. Commands/activities will develop an unconstrained budget that prioritizes requirements from the most important to the least important. The commander establishes these priorities with consideration for statutory requirements, directed requirements, operational requirements, installation/activity mission, and new activity initiatives and program budget guidance provided by Eighth U.S. Army.

a. Unfinanced requirements represent mission requirements that do not make the "cut line" in the installation/activity's annual budget or new mission requirements that arise without funding. Unfinanced requirements support operational costs. Simply stated, units prepare, and prioritize, a list of all known requirements that must be funded during the current budget year. The list is then matched to available funding and a line drawn at this point. Items above this line are funded, while those below the line are unfunded and become a UFR. The UFR listing identifies items, or programs, that are of lesser priority and importance than those that were funded. Additionally, this list is a budget tool that identifies the order to which increases of funding will be applied. Each UFR must be justified and consist of four parts:

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(1) Supporting Data. Activity should provide title and amount. Servicing budget office will provide the other technical funding information.

(2) Mission Supported. Explanation of the requirement.

(3) Mission Enhancement (Impact). Describe how the funding will benefit your mission and the impact if not funded. Keep it simple and avoid emotional statements.

(4) Point of Contact. The individual responsible and knowledgeable on the requirement that can explain the project and answer questions.

b. While UFR development is a continuous, fluid process, the cycle is generally as depicted at enclosure 1. Eighth Army and DA require that UFRs be submitted in a specific format (enclosure 2). Often, time does not allow this HQ, or Eighth U.S. Army, to redo your UFRs if not submitted in the required format. Improper submissions could result in your UFRs not being considered for funding. The justification statement and the impact statement are critical elements of a successful UFR submission. It is imperative the requirement is clearly and concisely explained to decision makers who may not be subject matter experts. The impact statement must define the benefit to the organization and the consequences if the UFR remains unfunded.

5. PROCEDURES. Unfinanced requirements follow an established pattern of review for validation that begins at the activity level. The resource manager is responsible for ensuring that all required information has been completed prior to submission and that the requirement is valid and cannot be funded within existing resources. Additionally, several singular UFRs submitted from various activities may lend themselves for banding prior to submission; e.g., submit one UFR for travel vice several travel UFRs from multiple sections.

a. Commanders must be included in the prioritization process to ensure that operational readiness is balance to the warfighters organizational needs.

b. Unfinanced requirements are banded and prioritized at the 19th TSC level. Units should provide their recommended banding and prioritization in the mission supported block of the UFR form. Eighth U.S. Army Band and Priority levels are indicated below in the following order:

BAND:

Eighth U.S. Army CG PRIORITY #:

Band 1 - Mission Critical

1 - Maintain readiness

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Band 2 - Required for Mission Accomplishment	2 - Theater C2 Architecture/C4I
Band 3 - Requirements That Enhance The Mission	3 - Support to OPLAN 5027
Band 4 - Nice to Have Items	4 - Quality of Life
	5 - Chemical Defense
	6 - Force Protection
	7 - NEO
	8 - Theater Missile Defense
	9 - Combat Service Support

c. When UFRs are received from 19th units, the ACoFS, RM will forward them to the appropriate HQ, 19th TSC program director (PD) for review, validation, prioritization and coordination with submitting unit or Eighth U.S. Army PDs as required. Additionally, any UFR identified for real property repair/renovation or as a construction project will be sent to the IMA KORO for a determination of design requirements and executability in the current budget year. Upon completion of this review, UFRs will be adjusted accordingly and presented for CG approval through the Program Budget Advisory Committee (PBAC) or other appropriate (and timely) forum. Upon CG approval, a consolidated UFR list will be forwarded to Eighth U.S. Army RM/PDs.

d. Not all UFRs will be funded. This is why prioritization is important. Other key elements for a successfully funded UFR are:

(1) Submitted on time and in the proper format.

(2) Clearly defined in non-technical terms and completely justified in terms of impact.

(3) Linked to readiness. Even though not all UFRs are directly linked to readiness, Commands must be innovative in articulating requirements in terms of readiness. Large dollar amounts should be broken down into small executable bands. This will allow for partial funding as dollars become available.

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e. Two important aspects of the UFR list are that they meet the bona-fide need rule (legitimate requirement) and can be quickly executable. Unfinanced requirements that are continuously duplicated and re-submitted during every budget cycle may not meet this rule. Other concerns are the funding source and TDA/MTOE authorization. If an item is not authorized by an activity's documented source then it would not qualify for unit funding. The proper [legal] funding source must be identified, do not submit OPA / BCE requirements for purchase with OMA funds.

f. In addition to the UFR list, the command must establish an executable Subject to Available Funding (SAF) list for year-end funding candidates. A preliminary list should be developed by each command and consider all projects planned during the budget year. The list should be coordinated with the ACofS, RM to determine the dollar amount of submission to Eighth U.S. Army. Dollar guidance and funding consideration will normally be provided in the year-end closing instructions. This approach will maximize 19th's funding flexibility and ensure we spend all available funding. In addition to the above, all commands should establish an internal UFR listing that can be executed on very short notice. An internal standing UFR list will best position the command to accommodate spending all available money within the 19th as a whole.

6. SUPERSESSION. This policy memo supersedes 19th TSC policy memo 57-02, 23 Apr 02.

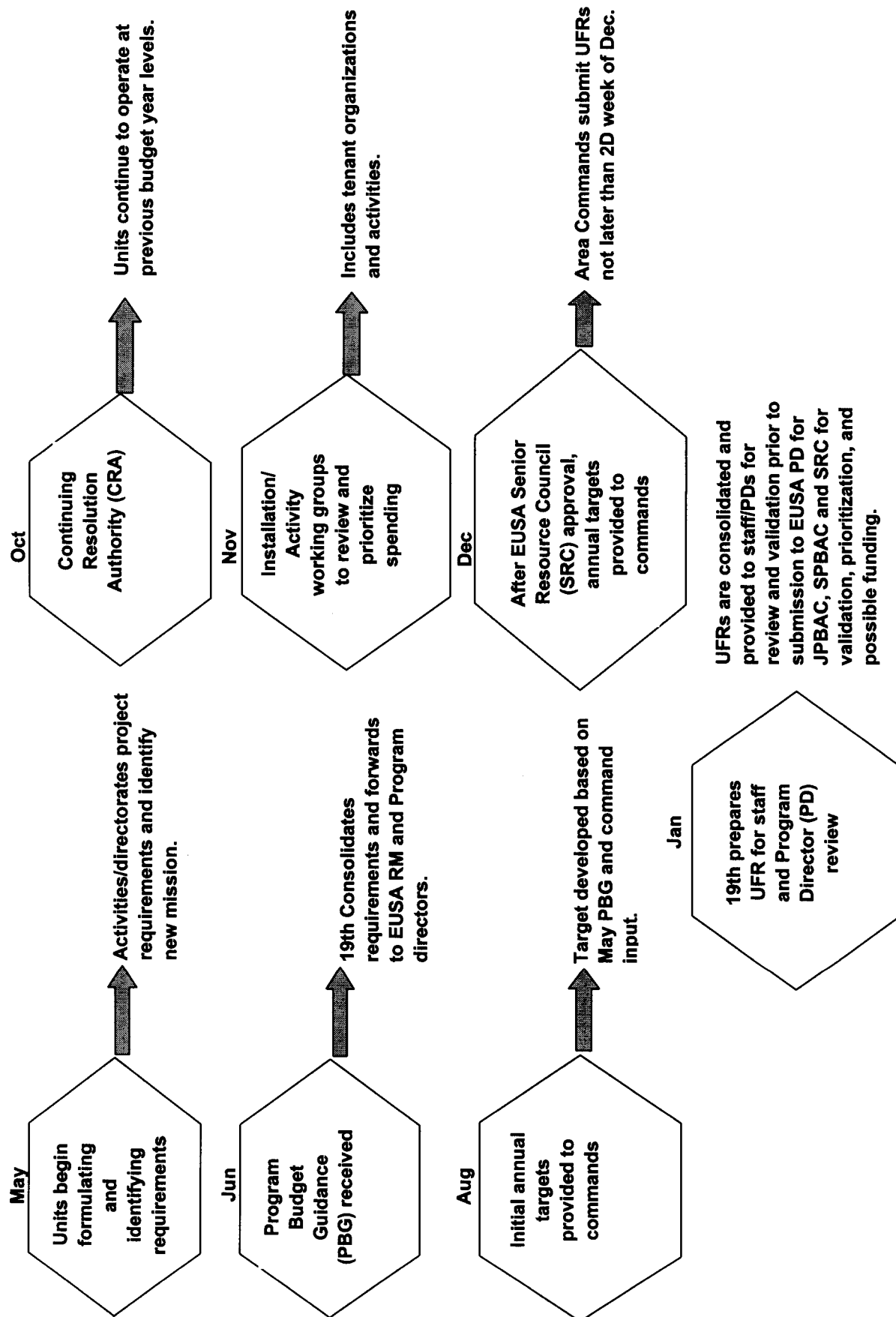
7. The point of contact is Resource Management at 768-7014.

2 Encls
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JEANETTE K. EDMUNDS
Major General, USA
Commanding

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Budget Timeline



See guidance in 00 UFR Guidance - sheet below

Do not change the format except to create more space in your support and impact narratives. Keep to one page if you have more than one UFR, prepare them in this one excel file, in different sheets 1-9 (see bottom of monitor) You will need a different sheet for each category of UFR (ie., travel, supplies, equipment, contracts) Please provide the UFR name (i.e., Software Name, Shredders, HVAC Upgrades) in the title above and in the sheets below Please remember that we need sufficient data (5 Ws) to be able to compete, defend, and justify to CofS and CG